

Message Text

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ACTION EB-08

INFO OCT-01 ARA-06 ISO-00 EA-07 AGRE-00 SP-02 USIA-06
AID-05 NSC-05 CIEP-01 TRSE-00 SS-15 STR-04 OMB-01
CEA-01 CIAE-00 COME-00 FRB-03 INR-07 NSAE-00 XMB-02
OPIC-03 LAB-04 SIL-01 L-03 H-01 PA-01 PRS-01 EUR-12
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FM AMEMBASSY BUENOS AIRES

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DEPARTMENT PASS USDA/FAS FOR GRAIN & FEED FCA

E.O. 11652: N/A

TAGS: EAGR, AR

SUBJECT: ARGENTINE WHEAT SALES TO PRC AND EAST EUROPE

REF: (A) FASTO 23, (B) TOFAS 29 2/8, (C) BUENOS AIRES 0868,
(D) BUENOS AIRES 8207

1. CONCUR THAT CONFUSION MUST EXIST ON ARGENTINE WHEAT SALES TO
PRC IN WIRE SERVICE REPORTS AS AGATT HAS BEEN CALLED BY CORRESPONDENT
S

IN BA. REFTEL (C) WAS INTENDED TO CONFIRM SALE OF 100,000 TONS
BY ARGENTINE SHIPPER IN ADDITION TO 200,000 TONS SOLD DIRECTLY
BY JUNTA AND REFTEL (B) REPORTED RUMORS OF FURTHER PRIVATE
SHIPPERS SALES TO PRC WHICH AT THAT TIME WERE SOMEWHAT CONFUSED,
BUT LATER CENTERED ON PRC. WIRE SERVICE CORRESPONDENT INFORMED
AGATT THAT HE CONTACTED FIRM(DREYFUS) RUMORED TO HAVE MADE
ADDITIONAL SALES TO PRC, BUT FIRM NEITHER CONFIRMED NOR DENIED
REPORT BUT HINTED THAT IT COULD BE IN PROCESS OF MAKING "SMALL"
SALE. ACCORDING TO OTHER REPORTS, FIRM MAY HAVE MADE SALE TO
PRC BUT NOW MAY BE COVERING SALE IN LOCAL MARKET THEREFORE
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RELUCTANT TO CONFIRM SALE AT THIS TIME. HOWEVER, THIS IS STILL
ALL SPECULATION.

2. TO CLARIFY, JUNTA HAS SOLD DIRECTLY TO PRC 200,000 TONS OF
WHEAT (REFTEL D), ARGENTINE SHIPPED (NIDERA) HAS SOLD ADDITIONAL
100,000 TONS OF WHEAT (REFTEL C) AND NOW RUMORS EXISTS THAT AN
INTERNATIONAL SHIPPER (DREYFUS) HAS SOLD ADDITIONAL QUANTITY.

DIFFICULT TO CALCULATE WHAT PRIVATE FIRMS PLAN TO SELL PRC, BUT OBVIOUS THAT FIRMS ARE LONG IN WHEAT DECLARATIONS TO JUNTA. ACCORDING TO ONE FIRMS' CALCULATION, IT CAN ONLY CONFIRM 3.1 TONS OF SALES BY DESTINATIONS AGAINST TOTAL SALES DECLARATIONS BY SHIPPERS OF 3.6 MILLION. REPEAT, THIS IS ONE FIRMS' CALCULATION OF ALL SHIPPERS POSITIONS AND THEIRS IN PARTICULAR AND THEREFORE SHOULD NOT BE DISCLOSED. UNDER CURRENT SALES DECLARATION REGULATIONS, SHIPPERS DO NOT DELCARE COUNTRY OF DESTINATION THEREFORE DESTINATIONS ONLY BECOME CONFIRMED AT TIME OF VESSEL DESIGNATION.

3. UNFORTUNATELY, OFFICE OF AGRICULTURAL ATTACHE DOES NOT HAVE READILY AVAILABLE SOURCE TO DRAW UPON TO MAINTAIN AN ACCOUNT OF INDIVIDUAL SHIP LOADINGS TO PRC EXCEPT REVIEW OF RIVER PLATE WHICH IS ALREADY BEING FORWARDED TO FAS/W AND TO GRAIN & FEED DIV. HOWEVER, CAN INCLUDE PRC AND OTHER EASTERN EUROPEAN COUNTRIES IN CABLED REPORT ON MONTHLY GRAIN SHIPMENTS AS ARE NOW DOING WITH USSR. MONTHLY SHIPMENTS GENERALLY AVAILABLE 10 TO 15 DAYS AFTER CLOSE OF MONTH. FURTHER, OFFICE OF AGATT CAN ATTEMPT TO OBTAIN FROM PRIVATE SHIPPERS THEIR ESTIMATES OF SALES BY DESTINATION, BUT THESE ONLY AVAILABLE IF MAINTAINED IN CONFIDENCE.

4. ONE SHIPPER HAS MADE AVAILABLE (IN CONFIDENCE) TO OFFICE OF AGATT ITS CALCULATIONS OF FORWARD WHEAT SALES AND THESE SHOW FOLLOWING: PRC, TOTAL 305,000 TONS (75,000 TONS PER MONTH FEB.-APRIL AND 40,000 FOR MAY AND JUNE); POLAND, TOTAL 800,000 TONS (DEC-JAN 300,000 TONS, 200,000 FOR FEB AND MARCH AND 100,000 FOR APRIL); USSR, TOTAL 200,000 TONS (DEC-JAN 50,000 AND 50,000 FOR FEB. MARCH AND APRIL); EAST GERMANY, TOTAL 100,000 LIMITED OFFICIAL USE

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TONS (DEC-JAN 50,000 TONS, AND 50,000 FOR FEB.). ABOVE COMMITMENTS TO USSR SAID TO BE OLD AND FINAL TO THAT DESTINATION FOR TIME BEING. ACCORDING TO TRADE RUMORS, THERE WERE LARGE "SWITCHES" TO POLAND AWAY FROM U.S. WHEAT AND ABOVE CALCULATIONS CONFIRM THESE RUMORS PLUS REPORTS OF LARGE DIRECT SALES AS WELL VIA MAJOR EUROPEAN TRADER. ABOVE CALCULATIONS WERE AS OF FEBRUARY 3.

5. ACCORDING TO PUBLISHED SOURCES, WHEAT EXPORTS TO USSR WERE 63,712 TONS DURING JULY-DEC INCLUDING 24,350 TONS SHIPPED IN DEC., THEREFORE, CALCULATE 1976-77 (JULY-JUNE) SHIPMENTS AT 239,362 TONS. NO WHEAT SHIPMENTS RECORDED TO PRC DURING JULY-DEC PERIOD, THEREFORE TOTAL FOR 1976-77 STANDS AT 305,000 TONS FOR TIME BEING. ONLY SHIPMENTS TO POLAND DURING JULY-DEC. WERE 12,000 TONS IN DEC., THEREFORE, 1976-77 TOTAL IS 800,000 TONS. NO WHEAT SHIPMENTS SHOWN TO EAST GERMANY DURING JULY-DEC. AMONG OTHER GRAINS, PUBLISHED SOURCES SHOW FOR FULY-DEC. 108,909 TONS OF CORN TO USSR, 157,860 TONS OF SORGHUM TO TO ROMANIA, 22,447 TONS OF SORGHUM TO BULGARIA, 95,020 TONS OF

SORGHUM TO POLAND, 900 TONS OF CORN, 66,497 TONS OF SORGHUM AND 5,260 TONS OF MILLET TO EAST GERMANY AND 99,359 TONS OF CORN TO CUBA. NOTE ERROR IN SEPTEMBER ISSUE OF BOLSA DE CEREALES WHICH IN TABLE BY DESTINATION SHOWS MAIZ AS TRIGO FIDEO. OTHER HEADINGS ALSO SHIFTED. CAN CORRECT BY COMPARING WITH TABLE ABOVE.

6. RUMOR OF POSSIBLE LARGE PURCHASE (500,000 TONS) BY AN INTERNATIONAL SHIPPER AGAIN IN LOCAL MARKET AND PRC OR POLAND OR BOTH MENTIONED AS POSSIBLE DESTINATIONS. ALSO NORTH KOREA MENTIONED AS POSSIBLE DESTINATION FOR SOME OF THIS WHEAT. CHAPLIN

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